

ABSREACT

An open clearing system allows local brokerage businesses to operate as autonomous exchanges with full inter connectivity to commercial bank(s). The system integrates cash management, order matching, clearing and settlement. The inter connectivity is based on the key concept of creating an engine as a "hub" independent from local Nodes. All Nodes are "piped" to the hub utilizing a common interface. This will allow orders to be matched between any two Nodes. In this manner an order placed in Node A will clear for matching at Node B for the same financial instrument. The system provides cash settlement at Nodes with different local time zone. For physical settlement Commerce Interface (to bonded warehouses) provides on line physical delivery at three linked designated bonded warehouses.